

DIRECT TESTIMONY AND EXHIBITS OF
ANTHONY D. BRISENO
ON BEHALF OF
THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF
DOCKET NO. 2021-3-E

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

2 A. My name is Anthony D. Briseno. My business address is 1401 Main Street, Suite
3 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as an
4 Audit Manager for the Office of Regulatory Staff (“ORS”).

5 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

6 A. I received my Bachelor of Science in Business Administration in Accounting from
7 Coastal Carolina University in August 2014. I received my Master of Accountancy Degree
8 from Coastal Carolina University in August 2015. I also received a Graduate Certificate
9 for completion of the Fraud Examination Program at Coastal Carolina University in August
10 2015. I began my employment as an Auditor with ORS in October 2016 and was promoted
11 to Senior Auditor in August of 2019. In August of 2020 I was promoted to my current
12 position as Audit Manager. I have participated in various cases involving the regulation of
13 telecommunication companies, electric, gas, water and wastewater utilities.

14 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE**
15 **COMMISSION OF SOUTH CAROLINA (“COMMISSION”)?**

16 A. Yes. I have previously testified before the Commission.

Q. WHAT IS THE MISSION OF ORS?

A. ORS represents the public interest as defined by the South Carolina General Assembly in S. C. Code Ann. § 58-4-10 as:

[T]he concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING AND HOW DOES YOUR DIRECT TESTIMONY REPRESENT THE PUBLIC INTEREST?

A. The purpose of my direct testimony is to present the results of ORS's examination of the books and records pertaining to Duke Energy Carolinas, LLC's ("DEC" or the "Company") operations under the Fuel Adjustment Clause ("FAC"). The current fuel examination covered the actual period of June 1, 2020 through May 31, 2021 ("Actual Period"). For Commission consideration, ORS has included the estimated, unaudited four (4) months of June 1, 2021 through September 30, 2021 ("Estimated Period"). By examining the books and records of the Company's operations under the FAC to ensure they comply with applicable statutes and Commission Orders and verifying the various FAC related (over)/under-recovery balances are stated accurately, my direct testimony promotes the public interest.

Q. WHAT WAS THE PURPOSE OF ORS'S EXAMINATION?

A. The purpose of ORS's examination was to determine if the Company's accounting practices in computing and applying the monthly FAC complied with South Carolina

(“S.C.”) Code Ann. §§ 58-27-865, 58-39-130, 58-39-140, 58-40-20, and prior Commission orders.

Q. WAS THE REVIEW TO WHICH YOU TESTIFY PERFORMED BY YOU OR UNDER YOUR SUPERVISION?

A. Yes. The review to which I testify was performed by me or under my supervision.

Q. WHAT WAS THE SCOPE OF ORS’S EXAMINATION?

A. ORS examined and verified the monthly calculations and the (over)/under-recovery balances recorded in the Company’s books and records for base fuel costs, environmental costs, capacity costs, Distributed Energy Resource Program (“DERP”) incremental costs, and DERP avoided costs for the Actual Period. ORS verified these monthly calculations and (over)/under-recovery balances to the Company’s monthly fuel reports filed under Docket No. 1989-9-E and the Company’s direct and supplemental direct testimonies and exhibits filed in this docket. ORS’s examination consisted of the following:

1. Analyzing the Fuel Stock Accounts

ORS’s analysis of the fuel stock accounts consisted of verifying receipts to and issuances from the fuel management system to the general ledger, examining monthly fuel charges originating in the fuel stock accounts, and ensuring that only proper charges were entered in the Company’s computation of fuel costs for purposes of adjusting the base fuel factor.

2. Sampling Receipts to the Fuel Stock Accounts

ORS’s review of receipts to the fuel stock accounts consisted of examining and testing transactions in coal, oil, and natural gas that support additions to the accounts during the Actual Period. Each coal and oil transaction sampled was examined and tested for

1 mathematical accuracy and vouched to a commodity received report, corresponding
2 waybill or truck bill, supplier invoice, base cost report, freight invoice, and transportation
3 cost report. The sampled coal and oil transactions were then verified to fuel management
4 system payment vouchers to verify payments of the correct amounts to the vendors. ORS
5 sampled natural gas transactions and examined them for mathematical accuracy and
6 verified them to third party invoices and bank statements to verify payments of the correct
7 amounts to the vendors.

8 3. Verifying Coal, Oil, and Natural Gas Expenses

9 ORS verified the amounts of coal, oil, and natural gas consumed for electric
10 generation for each month of the Actual Period by reviewing inventory control reports,
11 general ledger accounts, and calculation worksheets. Biogas was included in the cost of
12 natural gas expenses reviewed by ORS. ORS verified biogas calculations for each month
13 in the Actual Period by using the kilowatt-hours (“kWh”) attributable to biogas at the
14 generation facility multiplied by the Commission-approved Avoided Fuel-Only rate from
15 Docket No. 1995-1192-E.

16 4. Verifying Charges to Nuclear Fuel Expenses

17 ORS verified the amounts of nuclear fuel expenses to the Company’s books and
18 records for the Actual Period. In addition, these amounts were verified to the Company’s
19 nuclear fuel burned amortization schedules. ORS recalculated the Company’s nuclear fuel
20 burned amortization schedules to verify mathematical accuracy.

21 5. Verifying Purchased Power and Power Sales

22 ORS verified the Company’s purchased and interchange power fuel cost,
23 megawatt-hour (“MWh”) purchases, and MWh sales for the Actual Period to the

1 Company's intersystem purchase and sales transaction reports and monthly invoices, on a
2 sample basis. The purchases sampled were also verified to proof of payment information
3 to ensure payments to vendors were accurate and agreed to the invoices received by the
4 Company. This verification included reviewing intercompany power transactions related
5 to the Joint Dispatch Agreement ("JDA") between the Company and Duke Energy
6 Progress, LLC ("DEP").

7 ORS recomputed the Company's sales and purchases for the Actual Period. The
8 purchased and interchange power amounts for the Actual Period and the resultant
9 (over)/under-recovery monthly deferred fuel amounts for the Actual Period reflect
10 calculations that conform to S.C. Code Ann. § 58-27-865. Subsection (A)(2)(b) of this
11 statute states that the total delivered cost of economy purchases, including, but not limited
12 to, transmission charges, are included in purchased power costs if those purchases are "less
13 than the purchasing utility's avoided variable costs for the generation of an equivalent
14 quantity of electric power." As such, ORS verified that the economic purchases were
15 recorded at, or less than, the Company's applicable avoided costs.

16 ORS sampled and tested power sales transactions for mathematical accuracy and
17 verified these transactions to the invoices issued by the Company to third parties. ORS
18 sampled various hours of the power sales transactions to verify the accuracy of the
19 generation cost being assigned to the sale within the sampled hour by the Company.

20 ORS reviewed the Solar Integration Fees and Miscellaneous Fees collected by the
21 Company that were applied to the FAC as offsets to costs during the Actual Period.

6. Verifying kWh Sales

ORS verified total system kWh sales to the Company's Operating Revenue Reports for the Actual Period. ORS recalculated and verified the Net Energy Metering ("NEM") solar kWh generation reported on the NEM cost reports. Total system kWh sales, S.C. retail kWh sales, and NEM solar kWh generation were used in the computations of the (over)/under-recovery of base fuel costs, environmental costs, capacity costs, and DERP avoided costs.

7. Recalculating the Fuel Adjustment Factors and Verifying the (Over)/Under-Recovery of Base Fuel Costs

ORS recalculated the fuel costs for the Actual Period utilizing information obtained from the Company's books and records and verified the recalculated costs to the Company's monthly fuel reports. In recalculating the monthly fuel costs, ORS divided adjusted system fuel costs by adjusted system kWh sales to arrive at fuel costs per kWh sold. The fuel costs per kWh sold were then multiplied by the adjusted S.C. retail kWh sales to determine the S.C. retail base fuel costs. The S.C. retail base fuel costs billed to S.C. retail customers were compared to the S.C. retail base fuel costs to compute the deferred fuel entry - (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

8. Recalculating the Environmental Costs and Verifying the (Over)/Under-Recovery of Environmental Costs

Per S.C. Code Ann. § 58-27-865(A)(1),

'fuel cost' also shall include the following variable environmental costs: (a) the cost of ammonia, lime, limestone, urea, dibasic acid and catalysts

consumed in reducing or treating emissions, and (b) the cost of emission allowances, as used, including allowance for SO₂, NO_x, mercury, and particulates.

S.C. Code Ann. § 58-27-865(A)(1) also states that, “[a]ll variable environmental costs included in fuel costs shall be recovered from each class of customers as a separate environmental component of the overall fuel factor.”

ORS verified the reagent expenses, emission allowances expensed, emission allowances sold, and environmental costs recovered through power sales for the Actual Period. The primary reagent expenses reviewed for the purpose of this examination include lime/limestone, magnesium hydroxide, calcium carbonate, ammonia, urea, activated carbon and Mercontrol 8034 Plus. ORS sampled and verified that reagents purchased during the Actual Period agreed to base cost reports, transportation cost reports, and vouchers for payment. These reagents are used to reduce the emissions produced by the Company’s power generation facilities during the production of electricity.

The emission allowances reviewed for the purposes of this examination include Sulfur Dioxide (“SO₂”) and Nitrogen Oxide (“NO_x”) emission allowances. ORS recalculated the SO₂ and NO_x emission allowances expensed for the Actual Period as included in the Company’s books and records. Emission allowances sold during the Actual Period were agreed to the transaction agreements and ORS ensured any gains/net proceeds were used to offset the environmental costs of this component per S.C. Code Ann. § 58-27-865. Subsection (A)(1) of this statute requires that “fuel costs must be reduced by the net proceeds of any sales of emission allowances by the utility.”

ORS verified the calculations of environmental costs recovered through off-system sales that reduced environmental costs for each month of the Actual Period to arrive at the

1 net environmental costs. ORS then used the S.C. retail kWh sales divided by the total
2 system kWh sales excluding off-system sales to determine the S.C. allocation factor to
3 apply to the net environmental costs. The environmental costs billed to S.C. retail
4 customers were compared to the S.C. portion of environmental costs to compute the
5 (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for
6 each month in the Actual Period was verified to the Company's monthly fuel reports. ORS
7 also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

8 9. Recalculating the Capacity Costs and Verifying the (Over)/Under-Recovery of
9 Capacity Costs

10 ORS verified the purchased power capacity costs to the Company's monthly fuel
11 reports for the Public Utility Regulatory Policy Act of 1978 ("PURPA") purchases. This
12 verification included the review of schedules detailing the breakdown of capacity costs and
13 energy costs for power purchases in the Actual Period. Natural gas capacity costs were
14 agreed to the Company's books and records for each month of the Actual Period. Per S.C.
15 Code Ann. § 58-27-865(A)(1):

16 if capacity costs are permitted to be recovered through the fuel factor, such
17 costs shall be allocated and recovered from customers under a separate
18 capacity component of the overall fuel factor based on the same method that
19 is used by the utility to allocate and recover variable environmental costs.

20 ORS then used the S.C. retail kWh sales divided by the total system kWh sales
21 excluding off-system sales to determine the S.C. allocation factor to apply to the capacity
22 costs. The capacity costs billed to S.C. retail customers were compared to the S.C. portion
23 of capacity expenses to compute the (over)/under-recovery for each month of the Actual
24 Period. The (over)/under-recovery for each month in the Actual Period was verified to the

Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

10. Recalculating the DERP Incremental Costs and Verifying the (Over)/Under-Recovery of DERP Incremental Costs

Per S.C. Code Ann. § 58-27-865(A)(1):

the incremental and avoided costs of distributed energy resource programs and net metering as authorized and approved under Chapters 39 and 40, Title 58 shall be allocated and recovered from customers under a separate distributed energy component of the overall fuel factor that shall be allocated and recovered based on the same method that is used by the utility to allocate and recover variable environmental costs.

ORS verified the DERP incremental costs to the Company's monthly fuel reports for the Actual Period. This included verifying that general ledger transactions were supported by invoices. ORS recalculated the NEM cost reports provided by the Company for each month of the Actual Period. Additionally, ORS recalculated the NEM solar generation kWh sales and the avoided fuel benefits of S.C. NEM. ORS recalculated the Solar Rebate amortization schedule and the associated carrying costs. ORS also examined the shared solar program and purchase power agreement ("PPA") expenses that occurred within the Actual Period. The DERP incremental costs billed to S.C. retail customers were compared to the DERP incremental costs to compute the (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

11. Recalculating the DERP Avoided Costs and Verifying the (Over)/Under-Recovery of DERP Avoided Costs

ORS verified the DERP avoided costs for PPAs to the Company's monthly fuel reports for PURPA Purchases. The verification of PPA and shared solar program costs

1 included the review of schedules detailing the calculations for capacity costs and energy
2 costs for the purchases made within the Actual Period. ORS used the S.C. retail kWh sales
3 divided by the total system kWh sales excluding off-system sales to determine the S.C.
4 allocation factor to apply to the DERP avoided costs. The DERP avoided costs billed to
5 S.C. retail customers were compared to the S.C. portion of DERP avoided costs to compute
6 the (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery
7 for each month in the Actual Period was verified to the Company's monthly fuel reports.
8 ORS also recalculated the Company's calculations for the Estimated Period to ensure
9 accuracy.

10 12. Company Adjustments Made in the Actual and Estimated Periods

11 ORS reviewed and recalculated any adjustments made by the Company for the
12 Actual Period. ORS recalculated any adjustments made by the Company for the Estimated
13 Period and will fully examine those adjustments when they are included in the Actual
14 Period as part of the Company's next FAC review.

15 **Q. DID YOU PREPARE OR CAUSE TO BE PREPARED ANY EXHIBITS IN**
16 **CONNECTION WITH YOUR DIRECT TESTIMONY**

17 **A.** Yes, I did.

18 **Q. PLEASE EXPLAIN THE EXHIBITS THAT WERE PREPARED AND**
19 **ATTACHED TO YOUR DIRECT TESTIMONY.**

20 **A.** ORS prepared the following exhibits based upon ORS's review of the Company's
21 books and records:

22 **EXHIBIT ADB-1: TOTAL FUEL RECEIVED AND WEIGHTED**
23 **AVERAGE FUEL COST.** This exhibit details the total cost of \$903,912,849 for coal, oil,

1 and natural gas (includes biogas) received for each month during the Actual Period. ORS
2 has also computed the weighted average cost of each type of fuel: coal (\$80.65 per ton),
3 oil (\$1.44 per gallon), and natural gas (\$3.30 per thousand cubic feet (“MCF”)).

4 **EXHIBIT ADB-2: COST OF FUEL BURNED FOR ELECTRIC**
5 **GENERATION.** This exhibit details the per book cost of fuel burned for electric
6 generation for each month of the Actual Period. The cost of burned fuel is broken into four
7 (4) types: coal, oil, natural gas (includes biogas) and nuclear. The burned cost of each type
8 of fuel is shown separately along with its percentage of total burned costs. These costs are
9 used in the computations of base fuel costs.

10 **EXHIBIT ADB-3: COST OF FUEL.** This exhibit details ORS’s computation of
11 the total fuel cost applicable to the base fuel recovery calculation for the Actual Period,
12 separated into four (4) components. Additionally, the percentage of total cost is shown for
13 each component for each month in the Actual Period. The four (4) components included in
14 this cost are as follows:

- 15 (1) Cost of Fuel Burned;
16 (2) Fuel Cost of Purchased and Interchange Power;
17 (3) Fuel Cost Recovered from Power Sales; and
18 (4) Miscellaneous Fees Collected.

19 Cost of Fuel Burned – This amount is the total cost of all coal, oil, natural gas, and
20 nuclear fuel burned, detailed by month for the Actual Period, and used in the base fuel costs
21 component computation. A detailed breakdown of coal, oil, natural gas, and nuclear fuel
22 can be seen in Exhibit ADB-2.

1 Fuel Cost of Purchased and Interchange Power – This amount is the total fuel cost
2 of MWhs purchased from other electric utilities or power marketers detailed by month for
3 the Actual Period.

4 Fuel Cost Recovered from Power Sales – This amount is the total fuel cost recovery
5 related to MWhs sold to other electric utilities or power marketers detailed by month for
6 the Actual Period. These costs lower the cost of fuel for each month of the Actual Period.

7 Miscellaneous Fees Collected – This amount is the total of PURPA contract fees,
8 liquidated damages due to missed commercial operation dates, fees for electronic banking
9 changes, fees for contractual changes of control, and variable fees from solar generating
10 customers paid to the Company detailed by month for the Actual Period.

11 **EXHIBIT ADB-4: DETAILS OF THE COMPUTATION OF THE**
12 **(OVER)/UNDER-RECOVERY OF BASE FUEL COSTS.** This exhibit details the
13 (over)/under-recovery of base fuel cost computations by month for the Actual and
14 Estimated Periods. This exhibit also shows the computations of the actual and estimated
15 cumulative (over)/under-recovery balances of base fuel costs and any adjustments for the
16 Actual Period and Estimated Period.

17 **EXHIBIT ADB-5: TOTAL ENVIRONMENTAL COSTS.** This exhibit details
18 the total environmental costs for the Actual Period by month for magnesium hydroxide,
19 calcium carbonate and other sorbents, emission allowances (expensed and sold), ammonia
20 and urea, lime/limestone, and MerControl 8034 Plus. Additionally, the percentage of total
21 cost is shown for each environmental component for each month in the Actual Period.

22 **EXHIBIT ADB-6: DETAILS OF THE COMPUTATION OF THE**
23 **(OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS.** This exhibit details

1 the (over)/under-recovery of environmental cost computations by month for the Actual and
2 Estimated Periods for total environmental costs and off-system sales. This exhibit also
3 shows the computation of the actual and estimated cumulative (over)/under-recovery
4 balances of environmental costs and any adjustments for the Actual Period and Estimated
5 Period.

6 **EXHIBIT ADB-7: DETAILS OF THE COMPUTATION OF THE**
7 **(OVER)/UNDER-RECOVERY OF CAPACITY COSTS.** This exhibit details the
8 (over)/under-recovery of PURPA purchased power avoided capacity costs and natural gas
9 capacity costs by month for the Actual and Estimated Periods. Pursuant to Act 236, which
10 became effective June 2014, the avoided capacity component of PURPA purchased power
11 costs and the natural gas capacity costs, which are permitted to be recovered through the
12 fuel factor, are now allocated and recovered as a separate component of the overall fuel
13 factor in the same manner as environmental costs. This exhibit also shows the computation
14 of the actual and estimated cumulative (over)/under-recovery balances of capacity costs
15 and any adjustments for the Actual Period and Estimated Period.

16 **EXHIBIT ADB-8: DETAILS OF THE COMPUTATION OF THE**
17 **(OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS.** This exhibit
18 details the (over)/under-recovery of DERP incremental costs by month for the Actual and
19 Estimated Periods. This exhibit also shows the computation of the actual and estimated
20 cumulative (over)/under-recovery balances of DERP incremental costs and any
21 adjustments for the Actual Period and Estimated Period.

22 **EXHIBIT ADB-9: DETAILS OF THE COMPUTATION OF THE**
23 **(OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS.** This exhibit details the

(over)/under-recovery of DERP avoided cost computations by month for the Actual and Estimated Periods. This exhibit also shows the computation of the actual and estimated cumulative (over)/under-recovery balances of DERP avoided costs and any adjustments for the Actual Period and Estimated Period.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF BASE FUEL COSTS IN EXHIBIT ADB-4.

A. Exhibit ADB-4 provides details of ORS's calculation of the actual cumulative over-recovery balance through May 2021 of \$1,958,883, and the estimated cumulative under-recovery balance through September 2021 of \$22,454,753. Company witness Sykes testimony (Sykes Amended Exhibit 2, pages 1 through 2) in this docket reports a cumulative over-recovery balance through May 2021 of \$1,958,880, and an estimated cumulative under-recovery balance through September 2021 of \$22,454,755. The differences between ORS's and the Company's ending balances for May 2021 and September 2021 are due to rounding.

Q. DID THE COMPANY MAKE ANY ADJUSTMENTS DURING EITHER THE ACTUAL OR ESTIMATED PERIODS FOR BASE FUEL COSTS?

A. Yes. Company witness Sykes explains the base fuel costs adjustment for (\$1,474,147) in March 2021, and (\$325,381) in May 2021 in his direct testimony on page 15. These adjustments are reflected in Exhibit ADB-4 as adjustments (A) and (B). ORS has reviewed and accepts the adjustments made by the Company for base fuel costs.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS IN EXHIBIT ADB-6.

1 A. Exhibit ADB-6 provides details of ORS's calculation of the actual cumulative
2 environmental cost over-recovery balance through May 2021 of \$1,690,481, and the
3 estimated cumulative over-recovery balance through September 2021 of \$1,386,744.
4 Company witness Sykes testimony (Sykes Amended Exhibit 4, pages 1 through 6) in this
5 docket reports a cumulative over-recovery balance through May 2021 of \$1,690,482, and
6 an estimated cumulative over-recovery balance through September 2021 of \$1,386,744.
7 The difference between ORS's and the Company's ending balance for May 2021 is due to
8 rounding.

9 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS DURING EITHER THE**
10 **ACTUAL OR ESTIMATED PERIODS FOR ENVIRONMENTAL COSTS?**

11 A. Yes. Company witness Sykes explains the environmental costs adjustments for
12 (\$684) in June 2020, (\$3,356) in July 2020 and (\$562) in October 2020 in his supplemental
13 direct testimony on page 4. These adjustments are reflected in Exhibit ADB-6 as
14 adjustments (C), (D), and (E). ORS has reviewed and accepts the adjustments made by the
15 Company for environmental costs.

16 **Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE**
17 **(OVER)/UNDER-RECOVERY OF CAPACITY COSTS IN EXHIBIT ADB-7.**

18 A. Exhibit ADB-7 provides details of ORS's calculation of the actual cumulative
19 capacity cost under-recovery balance through May 2021 of \$3,819,899, and the estimated
20 cumulative under-recovery balance through September 2021 of \$3,177,246. Company
21 witness Sykes testimony (Sykes Amended Exhibit 6, pages 1 through 6) in this docket
22 reports a cumulative under-recovery balance through May 2021 of \$3,819,894, and an
23 estimated cumulative under-recovery balance through September 2021 of \$3,177,242. The

differences between ORS's and the Company's ending balances for May 2021 and September 2021 are due to rounding.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS IN EXHIBIT ADB-8.

A. Exhibit ADB-8 provides details of ORS's calculation of the actual cumulative DERP incremental cost over-recovery balance through May 2021 of \$1,762,549, and the estimated cumulative over-recovery balance through September 2021 of \$1,031,623. Company witness Sykes testimony (Sykes Exhibit 8, pages 1 through 2) in this docket reports a cumulative over-recovery balance through May 2021 of \$1,762,547 and a cumulative over-recovery balance through September 2021 of \$1,031,622. The differences between ORS's and the Company's ending balances for May 2021 and September 2021 are due to rounding.

Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE (OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS IN EXHIBIT ADB-9.

A. Exhibit ADB-9 provides details of ORS's calculation of the actual cumulative DERP avoided costs over-recovery balance through May 2021 of \$249,500 and the estimated cumulative over-recovery balance through September 2021 of \$178,909. Company witness Sykes testimony (Sykes Amended Exhibit 12, pages 1 through 6) in this docket reports the same cumulative over-recovery balance through May 2021, and an estimated cumulative over-recovery balance through September 2021 of \$176,584. The difference between ORS's and the Company's ending balance for September 2021 is due

to a formula error on Sykes Amended Exhibit 12, page 2 of 6, Line No. 40 for SC Projected Residential kWh Sales (w/solar), for the month of June 2021 in the Estimated Period.

Q. WHAT IS THE RESULT OF ORS'S EXAMINATION?

A. Based on ORS's examination of the Company's books and records, and the Company's operations under the fuel cost recovery mechanism, it is ORS's opinion, that, subject to the Company's adjustments, the Company's accounting practices during the Actual Period are in compliance with S.C. Code Ann. §§ 58-27-865, 58-39-130, 58-39-140, 58-40-20, and prior Commission orders.

Based on ORS's examination, ORS agrees with the following cumulative Actual Period and Estimated Period (over)/under-recovery balances as calculated in Company witness Sykes's Exhibits in this docket:

- May 2021 base fuel costs over-recovery balance of \$1,958,880;
- May 2021 environmental costs over-recovery balance of \$1,690,482;
- May 2021 capacity costs under-recovery balance of \$3,819,894;
- May 2021 DERP incremental costs over-recovery balance of \$1,762,547;
- May 2021 DERP avoided costs over-recovery balance of \$249,500;
- September 2021 base fuel costs under-recovery balance of \$22,454,755;
- September 2021 environmental costs over-recovery balance of \$1,386,744;
- September 2021 capacity costs under-recovery balance of \$3,177,242; and
- September 2021 DERP incremental costs over-recovery of \$1,031,622.

Based on ORS's examination, ORS calculated the following Estimated Period adjusted balance for DEC:

- September 2021 DERP avoided costs over-recovery balance of \$178,909.

1 **Q. WILL YOU UPDATE YOUR DIRECT TESTIMONY BASED ON INFORMATION**
2 **THAT BECOMES AVAILABLE?**

3 A. Yes. ORS fully reserves the right to revise its recommendations via supplemental
4 testimony should new information not previously provided by the Company, or other
5 sources, becomes available.

6 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

7 A. Yes, it does.

Office of Regulatory Staff
Total Fuel Received and Weighted Average Fuel Cost
Duke Energy Carolinas, LLC
For Year Ending May 2021
Docket No. 2021-3-E

<u>Month</u>	<u>Coal</u>		<u>Oil</u>		<u>Natural Gas</u>		<u>Total Received</u>
	<u>Ton</u>	<u>\$</u>	<u>Gal</u>	<u>\$</u>	<u>MCF</u>	<u>\$</u>	<u>Cost</u>
							<u>\$</u>
Jun-20	318,478	22,492,976	854,460	712,975	8,863,586	26,655,865	49,861,816
Jul-20	445,908	55,277,204	386,578	510,304	13,522,975	33,741,472	89,528,980
Aug-20	573,893	39,069,214	652,067	863,359	12,465,441	35,298,755	75,231,328
Sep-20	499,862	34,618,521	573,157	689,972	10,891,481	34,185,621	69,494,114
Oct-20	584,523	60,805,891	410,826	512,848	10,731,270	31,351,864	92,670,603
Nov-20	471,838	29,985,955	163,887	223,216	9,579,150	33,654,336	63,863,507
Dec-20	378,615	25,221,674	323,308	497,740	9,710,083	36,763,641	62,483,055
Jan-21	596,079	58,096,983	263,286	434,327	14,711,513	52,224,239	110,755,549
Feb-21	530,853	31,346,655	474,137	915,365	10,093,884	44,999,195	77,261,215
Mar-21	486,700	28,585,082	773,643	1,518,298	9,789,954	36,091,332	66,194,712
Apr-21	503,760	56,263,531	44,908	86,538	8,114,294	26,508,328	82,858,397
May-21	481,135	31,770,690	96,995	243,780	9,732,986	31,695,103	63,709,573
Total	5,871,644	\$ 473,534,376	5,017,252	\$ 7,208,722	128,206,617	\$ 423,169,751	\$ 903,912,849

Weighted Average Cost	<u>\$ 80.65</u>	<u>\$ 1.44</u>	<u>\$ 3.30</u>
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Office of Regulatory Staff
Cost of Fuel Burned for Electric Generation
Duke Energy Carolinas, LLC
For Year Ending May 2021
Docket No. 2021-3-E

<u>Month</u>	<u>Coal</u>		<u>Oil</u>		<u>Natural Gas</u>		<u>Nuclear</u>		<u>Total Burned Cost</u>
Jun-20	\$ 63,874,781	58.37%	\$ 814,139	0.74%	\$ 22,236,058	20.32%	\$ 22,500,128	20.57%	\$ 109,425,106
Jul-20	\$ 82,616,418	60.60%	\$ 484,785	0.36%	\$ 29,937,732	21.96%	\$ 23,292,114	17.08%	\$ 136,331,049
Aug-20	\$ 89,396,088	62.44%	\$ 880,673	0.62%	\$ 29,643,026	20.70%	\$ 23,253,997	16.24%	\$ 143,173,784
Sep-20	\$ 41,508,695	45.82%	\$ 381,235	0.42%	\$ 28,275,965	31.21%	\$ 20,430,163	22.55%	\$ 90,596,058
Oct-20	\$ 26,854,371	38.31%	\$ 498,787	0.71%	\$ 25,200,129	35.95%	\$ 17,540,623	25.03%	\$ 70,093,910
Nov-20	\$ 31,791,711	39.74%	\$ 373,185	0.47%	\$ 27,991,748	34.98%	\$ 19,850,066	24.81%	\$ 80,006,710
Dec-20	\$ 42,109,238	42.81%	\$ 1,363,665	1.39%	\$ 31,959,793	32.50%	\$ 22,919,977	23.30%	\$ 98,352,673
Jan-21	\$ 47,447,949	40.61%	\$ 571,637	0.49%	\$ 45,902,935	39.29%	\$ 22,914,352	19.61%	\$ 116,836,873
Feb-21	\$ 54,614,168	45.84%	\$ 5,132,341	4.31%	\$ 39,224,790	32.92%	\$ 20,166,501	16.93%	\$ 119,137,800
Mar-21	\$ 32,423,455	37.40%	\$ 520,974	0.60%	\$ 31,083,862	35.85%	\$ 22,670,888	26.15%	\$ 86,699,179
Apr-21	\$ 43,110,993	50.60%	\$ 150,604	0.18%	\$ 20,745,657	24.35%	\$ 21,196,150	24.87%	\$ 85,203,404
May-21	\$ 42,477,084	46.73%	\$ 143,270	0.16%	\$ 25,519,165	28.07%	\$ 22,764,497	25.04%	\$ 90,904,016
Total	\$598,224,951	48.76%	\$11,315,295	0.92%	\$357,720,860	29.16%	\$259,499,456	21.16%	\$1,226,760,562

Office of Regulatory Staff
Cost of Fuel
Duke Energy Carolinas, LLC
For Year Ending May 2021
Docket No. 2021-3-E

<u>Month</u>			<u>Cost of Fuel Burned</u>			<u>Fuel Cost of Purchased and Interchange Power</u>			<u>Fuel Cost Recovered from Power Sales</u>			<u>Miscellaneous Fees Collected</u>			<u>Total Fuel Costs</u>	
Jun-20	\$	109,425,106	88.62%	\$	16,105,436	13.04%	\$	(2,048,896)	-1.66%	\$	-	0.00%	\$	123,481,646		
Jul-20	\$	136,331,049	84.25%	\$	26,281,376	16.25%	\$	(796,480)	-0.50%	\$	-	0.00%	\$	161,815,945		
Aug-20	\$	143,173,784	90.72%	\$	19,646,835	12.45%	\$	(5,003,676)	-3.17%	\$	-	0.00%	\$	157,816,943		
Sep-20	\$	90,596,058	82.62%	\$	20,037,696	18.28%	\$	(982,813)	-0.90%	\$	-	0.00%	\$	109,650,941		
Oct-20	\$	70,093,910	72.20%	\$	28,056,204	28.90%	\$	(1,065,433)	-1.10%	\$	-	0.00%	\$	97,084,681		
Nov-20	\$	80,006,710	88.23%	\$	15,231,659	16.79%	\$	(4,554,495)	-5.02%	\$	-	0.00%	\$	90,683,874		
Dec-20	\$	98,352,673	73.40%	\$	38,885,718	29.03%	\$	(3,240,507)	-2.42%	\$	(10,300)	-0.01%	\$	133,987,584		
Jan-21	\$	116,836,873	84.84%	\$	23,648,958	17.17%	\$	(2,665,004)	-1.94%	\$	(102,885)	-0.07%	\$	137,717,942		
Feb-21	\$	119,137,800	82.19%	\$	31,936,384	22.03%	\$	(6,118,970)	-4.22%	\$	-	0.00%	\$	144,955,214		
Mar-21	\$	86,699,179	90.58%	\$	16,181,011	16.90%	\$	(7,141,773)	-7.46%	\$	(20,000)	-0.02%	\$	95,718,417		
Apr-21	\$	85,203,404	92.44%	\$	12,042,662	13.06%	\$	(4,984,694)	-5.40%	\$	(96,583)	-0.10%	\$	92,164,789		
May-21	\$	90,904,016	88.29%	\$	18,995,727	18.45%	\$	(6,946,934)	-6.74%	\$	-	0.00%	\$	102,952,809		
Total	\$	1,226,760,562	84.72%	\$	267,049,666	18.45%	\$	(45,549,675)	-3.15%	\$	(229,768)	-0.02%	\$	1,448,030,785		

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Base Fuel Costs
Duke Energy Carolinas, LLC
June 2020 - September 2021
Docket No. 2021-3-E

	Actual							
	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021
Total Fuel Costs	\$ 123,481,646	\$ 161,815,945	\$ 157,816,943	\$ 109,650,941	\$ 97,084,681	\$ 90,683,874	\$ 133,987,584	\$ 137,717,942
Avoided Fuel Benefit of SC NEM	\$ 356,654	\$ 359,526	\$ 363,328	\$ 368,362	\$ 324,857	\$ 276,212	\$ 277,301	\$ 281,141
Adjusted System Fuel Costs	\$ 123,838,300	\$ 162,175,471	\$ 158,180,271	\$ 110,019,303	\$ 97,409,538	\$ 90,960,086	\$ 134,264,885	\$ 137,999,083
Total System kWh Sales	6,734,780,109	8,102,605,011	8,443,024,842	7,621,343,554	6,216,478,500	7,066,717,933	6,272,969,895	8,612,692,842
NEM Solar Generation kWh	10,965,044	11,053,324	11,170,183	11,324,951	10,940,319	10,419,881	10,483,803	10,628,974
Adjusted System kWh Sales	6,745,745,153	8,113,658,335	8,454,195,025	7,632,668,505	6,227,418,819	7,077,137,814	6,283,453,698	8,623,321,816
Fuel Costs per kWh Sales	\$ 0.018358	\$ 0.019988	\$ 0.018710	\$ 0.014414	\$ 0.015642	\$ 0.012853	\$ 0.021368	\$ 0.016003
S.C. Retail kWh Sales	1,623,613,976	1,916,998,453	2,010,846,771	1,877,139,122	1,509,190,428	1,758,086,136	1,386,684,247	2,046,721,244
NEM Solar Generation kWh	10,965,044	11,053,324	11,170,183	11,324,951	10,940,319	10,419,881	10,483,803	10,628,974
Adjusted S.C. Retail kWh Sales	1,634,579,020	1,928,051,777	2,022,016,954	1,888,464,073	1,520,130,747	1,768,506,017	1,397,168,050	2,057,350,218
S.C. Base Fuel Costs	\$ 30,007,580	\$ 38,537,820	\$ 37,832,483	\$ 27,220,822	\$ 23,777,947	\$ 22,730,017	\$ 29,854,697	\$ 32,923,790
Avoided Fuel Benefit of S.C. NEM	\$ (356,654)	\$ (359,526)	\$ (363,328)	\$ (368,362)	\$ (324,857)	\$ (276,212)	\$ (277,301)	\$ (281,141)
Adjusted S.C. Base Fuel Costs	\$ 29,650,926	\$ 38,178,294	\$ 37,469,155	\$ 26,852,460	\$ 23,453,090	\$ 22,453,805	\$ 29,577,396	\$ 32,642,649
S.C. Retail Fuel Costs Collected	\$ 34,365,414	\$ 40,575,189	\$ 42,561,583	\$ 39,731,527	\$ 27,431,905	\$ 26,415,244	\$ 20,834,931	\$ 30,751,988
Fuel Benefits in DERP NEM Incentive	\$ (125,954)	\$ (126,961)	\$ (128,293)	\$ (130,059)	\$ (84,211)	\$ (70,052)	\$ (41,745)	\$ (42,323)
Adjusted S.C. Retail Costs Collected	\$ 34,239,460	\$ 40,448,228	\$ 42,433,290	\$ 39,601,468	\$ 27,347,694	\$ 26,345,192	\$ 20,793,186	\$ 30,709,665
Deferred Fuel Entry- (Over)/Under-Recovery	\$ (4,588,534)	\$ (2,269,934)	\$ (4,964,135)	\$ (12,749,008)	\$ (3,894,604)	\$ (3,891,387)	\$ 8,784,210	\$ 1,932,984
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery Prior Month	\$ 8,256,489	\$ 3,667,955	\$ 1,398,021	\$ (3,566,114)	\$ (16,315,122)	\$ (20,209,726)	\$ (24,101,113)	\$ (15,316,903)
Cumulative (Over)/Under-Recovery	\$ 3,667,955	\$ 1,398,021	\$ (3,566,114)	\$ (16,315,122)	\$ (20,209,726)	\$ (24,101,113)	\$ (15,316,903)	\$ (13,383,919)

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Base Fuel Costs
Duke Energy Carolinas, LLC
June 2020 - September 2021
Docket No. 2021-3-E

	Actual				Estimated			
	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
Total Fuel Costs	\$ 144,955,214	\$ 95,718,417	\$ 92,164,789	\$ 102,952,809	\$ 134,707,320	\$ 160,070,134	\$ 156,870,673	\$ 133,318,288
Avoided Fuel Benefit of SC NEM	\$ 281,874	\$ 289,067	\$ 289,067	\$ 289,067	\$ 286,635	\$ 248,251	\$ 248,146	\$ 248,040
Adjusted System Fuel Costs	\$ 145,237,088	\$ 96,007,484	\$ 92,453,856	\$ 103,241,876	\$ 134,993,955	\$ 160,318,385	\$ 157,118,819	\$ 133,566,328
Total System kWh Sales	7,023,124,257	6,159,528,696	6,262,731,991	5,739,754,294	7,208,136,051	8,271,350,711	8,670,278,197	8,040,495,325
NEM Solar Generation kWh	10,656,826	10,744,888	10,836,789	10,836,789	10,836,789	9,387,626	9,383,640	9,379,656
Adjusted System kWh Sales	7,033,781,083	6,170,273,584	6,273,568,780	5,750,591,083	7,218,972,840	8,280,738,337	8,679,661,837	8,049,874,981
Fuel Costs per kWh Sales	\$ 0.020649	\$ 0.015560	\$ 0.014737	\$ 0.017953	\$ 0.018700	\$ 0.019360	\$ 0.018102	\$ 0.016592
S.C. Retail kWh Sales	1,610,951,313	1,377,957,373	1,468,606,143	1,396,012,579	1,712,434,485	1,995,059,533	2,115,058,217	1,995,845,841
NEM Solar Generation kWh	10,656,826	10,744,888	10,836,789	10,836,789	10,836,789	9,387,626	9,383,640	9,379,656
Adjusted S.C. Retail kWh Sales	1,621,608,139	1,388,702,261	1,479,442,932	1,406,849,368	1,723,271,274	2,004,447,159	2,124,441,857	2,005,225,497
S.C. Base Fuel Costs	\$ 33,483,789	\$ 21,607,763	\$ 21,802,614	\$ 25,257,537	\$ 32,224,973	\$ 38,806,893	\$ 38,456,545	\$ 33,271,399
Avoided Fuel Benefit of S.C. NEM	\$ (281,874)	\$ (289,067)	\$ (289,067)	\$ (289,067)	\$ (286,635)	\$ (248,251)	\$ (248,146)	\$ (248,040)
Adjusted S.C. Base Fuel Costs	\$ 33,201,915	\$ 21,318,696	\$ 21,513,547	\$ 24,968,470	\$ 31,938,338	\$ 38,558,642	\$ 38,208,399	\$ 33,023,359
S.C. Retail Fuel Costs Collected	\$ 24,204,543	\$ 20,703,810	\$ 22,065,808	\$ 20,975,089	\$ 25,729,328	\$ 29,975,769	\$ 31,778,750	\$ 29,987,584
Fuel Benefits in DERP NEM Incentive	\$ (42,293)	\$ (42,717)	\$ (43,088)	\$ (43,088)	\$ (43,088)	\$ (37,763)	\$ (37,747)	\$ (37,731)
Adjusted S.C. Retail Costs Collected	\$ 24,162,250	\$ 20,661,093	\$ 22,022,720	\$ 20,932,001	\$ 25,686,240	\$ 29,938,006	\$ 31,741,003	\$ 29,949,853
Deferred Fuel Entry- (Over)/Under-Recovery	\$ 9,039,665	\$ 657,603	\$ (509,173)	\$ 4,036,469	\$ 6,252,098	\$ 8,620,636	\$ 6,467,396	\$ 3,073,506
Company Accounting Adjustments	\$ -	\$ (1,474,147) (A)	\$ -	\$ (325,381) (B)	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery Prior Month	\$ (13,383,919)	\$ (4,344,254)	\$ (5,160,798)	\$ (5,669,971)	\$ (1,958,883)	\$ 4,293,215	\$ 12,913,851	\$ 19,381,247
Cumulative (Over)/Under-Recovery	\$ (4,344,254)	\$ (5,160,798)	\$ (5,669,971)	\$ (1,958,883)	\$ 4,293,215	\$ 12,913,851	\$ 19,381,247	\$ 22,454,753

	May 2021	September 2021
Cumulative (Over)/Under-Recovery of Base Fuel Costs (Audit Exhibit ADB-4)	\$ (1,958,883)	\$ 22,454,753
Cumulative (Over)/Under-Recovery of Environmental Costs (Audit Exhibit ADB-6)	\$ (1,690,481)	\$ (1,386,744)
Cumulative (Over)/Under-Recovery of Capacity Costs (Audit Exhibit ADB-7)	\$ 3,819,899	\$ 3,177,246
Cumulative (Over)/Under-Recovery of DERP Incremental Costs (Audit Exhibit ADB-8)	\$ (1,762,549)	\$ (1,031,623)
Cumulative (Over)/Under-Recovery of DERP Avoided Costs (Audit Exhibit ADB-9)	\$ (249,500)	\$ (178,909)
Net Cumulative (Over)/Under-Recovery Balance	\$ (1,841,514)	\$ 23,034,723

Office of Regulatory Staff
Total Environmental Costs
Duke Energy Carolinas, LLC
For Year Ending May 2021
Docket No. 2021-3-E

<u>Month</u>	<u>Magnesium Hydroxide, Calcium Carbonate, and Other Sorbents</u>		<u>Emission Allowances</u>		<u>Ammonia and Urea</u>		<u>Lime/Limestone</u>		<u>MerControl 8034 Plus</u>		<u>Total Environmental Costs</u>				
Jun-20	\$	91,220	4.62%	\$	(7,473)	-0.38%	\$	453,502	22.94%	\$	-	0.00%	\$ 1,976,899		
Jul-20	\$	201,180	8.04%	\$	437	0.02%	\$	439,649	17.57%	\$	144,726	5.78%	\$ 2,502,004		
Aug-20	\$	190,343	5.85%	\$	10,536	0.32%	\$	617,196	18.97%	\$	139,154	4.28%	\$ 3,253,463		
Sep-20	\$	174,551	15.99%	\$	550	0.05%	\$	(46,104)	-4.22%	\$	-	0.00%	\$ 1,091,714		
Oct-20	\$	42,267	5.03%	\$	209	0.02%	\$	64,658	7.69%	\$	40,737	4.84%	\$ 840,975		
Nov-20	\$	105,225	7.02%	\$	101	0.01%	\$	167,027	11.14%	\$	20,521	1.37%	\$ 1,499,110		
Dec-20	\$	182,385	11.36%	\$	147	0.01%	\$	181,146	11.28%	\$	-	0.00%	\$ 1,605,527		
Jan-21	\$	175,472	13.42%	\$	229	0.02%	\$	125,982	9.63%	\$	-	0.00%	\$ 1,307,912		
Feb-21	\$	110,115	5.28%	\$	228	0.01%	\$	550,521	26.43%	\$	-	0.00%	\$ 2,083,286		
Mar-21	\$	44,621	4.14%	\$	276	0.03%	\$	76,991	7.15%	\$	-	0.00%	\$ 1,076,838		
Apr-21	\$	85,625	5.22%	\$	148	0.01%	\$	433,105	26.43%	\$	-	0.00%	\$ 1,638,701		
May-21	\$	106,764	6.29%	\$	183	0.01%	\$	289,441	17.07%	\$	-	0.00%	\$ 1,695,858		
Totals	\$	1,509,768	7.33%	\$	5,571	0.03%	\$	3,353,114	16.30%	\$	15,358,696	74.66%	\$ 345,138	1.68%	\$20,572,287

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Environmental Costs
Duke Energy Carolinas, LLC
June 2020 - September 2021
Docket No. 2021-3-E

	Actual							
	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021
Total Environmental Costs	\$ 1,976,899	\$ 2,502,004	\$ 3,253,463	\$ 1,091,714	\$ 840,975	\$ 1,499,110	\$ 1,605,527	\$ 1,307,912
Environmental Costs Recovered Through Off-System Sales	\$ (36,018)	\$ (7,756)	\$ (73,536)	\$ (8,065)	\$ (7,936)	\$ (19,767)	\$ (14,872)	\$ (22,622)
Net Environmental Costs	\$ 1,940,881	\$ 2,494,248	\$ 3,179,927	\$ 1,083,649	\$ 833,039	\$ 1,479,343	\$ 1,590,655	\$ 1,285,290
S.C. Retail kWh Sales	1,623,613,976	1,916,998,453	2,010,846,771	1,877,139,122	1,509,190,428	1,758,086,136	1,386,684,247	2,046,721,244
Total System kWh Sales Excluding Off-System Sales	6,734,780,109	8,102,605,011	8,443,024,842	7,621,343,554	6,216,478,500	7,066,717,933	6,272,969,895	8,612,692,842
S.C. Allocation Factor	24.11%	23.66%	23.82%	24.63%	24.28%	24.88%	22.11%	23.76%
S.C. Retail Basis of Total Environmental Costs	\$ 467,906	\$ 590,115	\$ 757,352	\$ 266,903	\$ 202,239	\$ 368,037	\$ 351,626	\$ 305,436
Amounts Billed to Retail Customers	\$ 533,204	\$ 664,381	\$ 694,010	\$ 621,076	\$ 399,485	\$ 391,113	\$ 313,165	\$ 453,522
(Over)/Under-Recovery	\$ (65,298)	\$ (74,266)	\$ 63,342	\$ (354,173)	\$ (197,246)	\$ (23,076)	\$ 38,461	\$ (148,086)
Company Accounting Adjustments	\$ (684) (C)	\$ (3,356) (D)	\$ -	\$ -	\$ (562) (E)	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery-Prior Month	\$ (1,044,761)	\$ (1,110,743)	\$ (1,188,365)	\$ (1,125,023)	\$ (1,479,196)	\$ (1,677,004)	\$ (1,700,080)	\$ (1,661,619)
Cumulative (Over)/Under-Recovery	\$ (1,110,743)	\$ (1,188,365)	\$ (1,125,023)	\$ (1,479,196)	\$ (1,677,004)	\$ (1,700,080)	\$ (1,661,619)	\$ (1,809,705)

	Actual				Estimated			
	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
Total Environmental Costs	\$ 2,083,286	\$ 1,076,838	\$ 1,638,701	\$ 1,695,858	\$ 1,646,677	\$ 1,863,220	\$ 2,691,153	\$ 2,329,432
Environmental Costs Recovered Through Off-System Sales	\$ (31,348)	\$ (109,044)	\$ (72,401)	\$ (137,655)	\$ (4,831)	\$ (17,570)	\$ (14,679)	\$ (12,003)
Net Environmental Costs	\$ 2,051,938	\$ 967,794	\$ 1,566,300	\$ 1,558,203	\$ 1,641,846	\$ 1,845,650	\$ 2,676,474	\$ 2,317,429
S.C. Retail kWh Sales	1,610,951,313	1,377,957,373	1,468,606,143	1,396,012,579	1,712,434,485	1,995,059,533	2,115,058,217	1,995,845,841
Total System kWh Sales Excluding Off-System Sales	7,023,124,257	6,159,528,696	6,262,731,991	5,739,754,294	7,208,136,051	8,271,350,711	8,670,278,197	8,040,495,325
S.C. Allocation Factor	22.94%	22.37%	23.45%	24.32%	23.76%	24.12%	24.39%	24.82%
S.C. Retail Basis of Total Environmental Costs	\$ 470,670	\$ 216,507	\$ 367,296	\$ 378,983	\$ 390,053	\$ 445,173	\$ 652,908	\$ 575,242
Amounts Billed to Retail Customers	\$ 358,601	\$ 311,848	\$ 329,563	\$ 314,220	\$ 384,001	\$ 450,010	\$ 476,096	\$ 449,532
(Over)/Under-Recovery	\$ 112,069	\$ (95,341)	\$ 37,733	\$ 64,763	\$ 6,052	\$ (4,837)	\$ 176,812	\$ 125,710
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery-Prior Month	\$ (1,809,705)	\$ (1,697,636)	\$ (1,792,977)	\$ (1,755,244)	\$ (1,690,481)	\$ (1,684,429)	\$ (1,689,266)	\$ (1,512,454)
Cumulative (Over)/Under-Recovery	\$ (1,697,636)	\$ (1,792,977)	\$ (1,755,244)	\$ (1,690,481)	\$ (1,684,429)	\$ (1,689,266)	\$ (1,512,454)	\$ (1,386,744)

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Capacity Costs
Duke Energy Carolinas, LLC
June 2020 - September 2021
Docket No. 2021-3-E

	Actual							
	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021
PURPA Purchased Power Capacity Costs	\$ 2,229,547	\$ 6,657,133	\$ 7,357,171	\$ 3,985,939	\$ 3,175,456	\$ 1,149,904	\$ 1,081,847	\$ 1,511,405
Natural Gas Capacity Costs	\$ 3,929,747	\$ 2,667,141	\$ 4,190,885	\$ 4,355,347	\$ 4,556,073	\$ 3,751,813	\$ 3,109,163	\$ 4,369,451
Total Costs for the current month	\$ 6,159,294	\$ 9,324,274	\$ 11,548,056	\$ 8,341,286	\$ 7,731,529	\$ 4,901,717	\$ 4,191,010	\$ 5,880,856
S.C. Retail kWh Sales	1,623,613,976	1,916,998,453	2,010,846,771	1,877,139,122	1,509,190,428	1,758,086,136	1,386,684,247	2,046,721,244
Total System kWh Sales Excluding Off-System Sales	6,734,780,109	8,102,605,011	8,443,024,842	7,621,343,554	6,216,478,500	7,066,717,933	6,272,969,895	8,612,692,842
S.C. Allocation Factor	24.11%	23.66%	23.82%	24.63%	24.28%	24.88%	22.11%	23.76%
S.C. Share of Capacity Costs	\$ 1,484,876	\$ 2,206,034	\$ 2,750,362	\$ 2,054,461	\$ 1,877,003	\$ 1,219,469	\$ 926,452	\$ 1,397,527
Amount Billed to Retail Customers	\$ 793,645	\$ 1,013,248	\$ 1,057,236	\$ 927,830	\$ 903,227	\$ 1,337,301	\$ 1,111,560	\$ 1,590,493
(Over)/Under-Recovery	\$ 691,231	\$ 1,192,786	\$ 1,693,126	\$ 1,126,631	\$ 973,776	\$ (117,832)	\$ (185,108)	\$ (192,966)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (1,748,011)	\$ (1,056,780)	\$ 136,006	\$ 1,829,132	\$ 2,955,763	\$ 3,929,539	\$ 3,811,707	\$ 3,626,599
Cumulative (Over)/Under-Recovery	\$ (1,056,780)	\$ 136,006	\$ 1,829,132	\$ 2,955,763	\$ 3,929,539	\$ 3,811,707	\$ 3,626,599	\$ 3,433,633

	Actual				Estimated			
	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
PURPA Purchased Power Capacity Costs	\$ 1,465,130	\$ 1,363,634	\$ 933,570	\$ 1,454,624	\$ 2,701,870	\$ 1,981,523	\$ 1,826,402	\$ 1,616,165
Natural Gas Capacity Costs	\$ 3,661,844	\$ 4,091,905	\$ 3,916,116	\$ 4,489,851	\$ 4,410,977	\$ 3,851,695	\$ 3,236,144	\$ 3,036,129
Total Costs for the current month	\$ 5,126,974	\$ 5,455,539	\$ 4,849,686	\$ 5,944,475	\$ 7,112,847	\$ 5,833,218	\$ 5,062,546	\$ 4,652,294
S.C. Retail kWh Sales	1,610,951,313	1,377,957,373	1,468,606,143	1,396,012,579	1,712,434,485	1,995,059,533	2,115,058,217	1,995,845,841
Total System kWh Sales Excluding Off-System Sales	7,023,124,257	6,159,528,696	6,262,731,991	5,739,754,294	7,208,136,051	8,271,350,711	8,670,278,197	8,040,495,325
S.C. Allocation Factor	22.94%	22.37%	23.45%	24.32%	23.76%	24.12%	24.39%	24.82%
S.C. Share of Capacity Costs	\$ 1,176,016	\$ 1,220,467	\$ 1,137,248	\$ 1,445,804	\$ 1,689,797	\$ 1,406,979	\$ 1,234,975	\$ 1,154,812
Amount Billed to Retail Customers	\$ 1,258,037	\$ 1,105,941	\$ 1,145,539	\$ 1,083,752	\$ 1,337,882	\$ 1,568,678	\$ 1,660,467	\$ 1,562,189
(Over)/Under-Recovery	\$ (82,021)	\$ 114,526	\$ (8,291)	\$ 362,052	\$ 351,915	\$ (161,699)	\$ (425,492)	\$ (407,377)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ 3,433,633	\$ 3,351,612	\$ 3,466,138	\$ 3,457,847	\$ 3,819,899	\$ 4,171,814	\$ 4,010,115	\$ 3,584,623
Cumulative (Over)/Under-Recovery	\$ 3,351,612	\$ 3,466,138	\$ 3,457,847	\$ 3,819,899	\$ 4,171,814	\$ 4,010,115	\$ 3,584,623	\$ 3,177,246

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Incremental Costs
Duke Energy Carolinas, LLC
June 2020 - September 2021
Docket No. 2021-3-E

	Actual							
	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021
Purchased Power Agreements	\$ 10,156	\$ 8,671	\$ 63,402	\$ 30,084	\$ (53,001)	\$ 13,760	\$ 4,672	\$ 47,764
NEM Incentive	\$ 378,634	\$ 384,044	\$ 390,568	\$ 398,616	\$ 515,030	\$ 651,727	\$ 660,851	\$ 669,661
Solar Rebate Program - Amortization	\$ 19,708	\$ 19,798	\$ 19,619	\$ 27,882	\$ 27,882	\$ 27,882	\$ 28,455	\$ 28,450
Solar Rebate Program - Carrying Costs	\$ 18,356	\$ 18,292	\$ 18,096	\$ 22,063	\$ 25,941	\$ 25,483	\$ 25,766	\$ 25,887
Shared Solar Program	\$ 30,915	\$ 31,455	\$ 34,012	\$ 30,274	\$ 21,423	\$ 19,338	\$ 13,421	\$ 6,914
NEM Avoided Capacity	\$ 38,026	\$ 38,334	\$ 38,741	\$ 39,280	\$ 20,866	\$ 358	\$ -	\$ -
NEM Meter Costs	\$ 62,181	\$ 62,593	\$ 63,155	\$ 63,873	\$ 64,304	\$ 64,735	\$ 65,055	\$ 65,475
General and Administrative Expenses	\$ 24,835	\$ 36,913	\$ 17,185	\$ (29,863)	\$ 13,860	\$ 79	\$ 29,843	\$ 22,489
Interest on under-collection due to per-account cost caps	\$ -	\$ -	\$ -	\$ -	\$ 32	\$ 65	\$ 77	\$ 65
Total Incremental Costs	\$ 582,811	\$ 600,100	\$ 644,778	\$ 582,209	\$ 636,337	\$ 803,427	\$ 828,140	\$ 866,705
Revenue Collected	\$ 614,237	\$ 617,221	\$ 615,229	\$ 614,573	\$ 658,693	\$ 722,099	\$ 710,233	\$ 719,962
(Over)/Under-Recovery	\$ (31,426)	\$ (17,121)	\$ 29,549	\$ (32,364)	\$ (22,356)	\$ 81,328	\$ 117,907	\$ 146,743
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (2,906,930)	\$ (2,938,356)	\$ (2,955,477)	\$ (2,925,928)	\$ (2,958,292)	\$ (2,980,648)	\$ (2,899,320)	\$ (2,781,413)
Cumulative (Over)/Under-Recovery	\$ (2,938,356)	\$ (2,955,477)	\$ (2,925,928)	\$ (2,958,292)	\$ (2,980,648)	\$ (2,899,320)	\$ (2,781,413)	\$ (2,634,670)

	Actual				Estimated			
	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
Purchased Power Agreements	\$ 14,023	\$ 24,765	\$ 125,130	\$ 67,684	\$ 116,299	\$ 115,563	\$ 112,440	\$ 97,057
NEM Incentive	\$ 675,954	\$ 678,773	\$ 685,187	\$ 685,187	\$ 618,966	\$ 618,711	\$ 618,449	\$ 618,186
Solar Rebate Program - Amortization	\$ 31,106	\$ 31,577	\$ 30,903	\$ 30,903	\$ 30,636	\$ 30,636	\$ 30,636	\$ 30,636
Solar Rebate Program - Carrying Costs	\$ 27,034	\$ 28,398	\$ 28,127	\$ 27,628	\$ 24,493	\$ 24,326	\$ 24,159	\$ 23,993
Shared Solar Program	\$ 7,545	\$ 9,285	\$ 16,124	\$ 54,157	\$ 19,524	\$ 19,207	\$ 18,106	\$ 12,512
NEM Avoided Capacity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NEM Meter Costs	\$ 66,313	\$ 65,756	\$ 66,371	\$ 66,371	\$ 72,099	\$ 72,099	\$ 72,099	\$ 72,099
General and Administrative Expenses	\$ 20,091	\$ 22,348	\$ 28,485	\$ 17,060	\$ 16,704	\$ 16,704	\$ 16,704	\$ 16,704
Interest on under-collection due to per-account cost caps	\$ 70	\$ 80	\$ 122	\$ 97	\$ 336	\$ 335	\$ 332	\$ 314
Total Incremental Costs	\$ 842,136	\$ 860,982	\$ 980,449	\$ 949,087	\$ 899,057	\$ 897,581	\$ 892,925	\$ 871,501
Revenue Collected	\$ 638,564	\$ 711,003	\$ 702,098	\$ 708,868	\$ 706,847	\$ 707,291	\$ 707,761	\$ 708,239
(Over)/Under-Recovery	\$ 203,572	\$ 149,979	\$ 278,351	\$ 240,219	\$ 192,210	\$ 190,290	\$ 185,164	\$ 163,262
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (2,634,670)	\$ (2,431,098)	\$ (2,281,119)	\$ (2,002,768)	\$ (1,762,549)	\$ (1,570,339)	\$ (1,380,049)	\$ (1,194,885)
Cumulative (Over)/Under-Recovery	\$ (2,431,098)	\$ (2,281,119)	\$ (2,002,768)	\$ (1,762,549)	\$ (1,570,339)	\$ (1,380,049)	\$ (1,194,885)	\$ (1,031,623)

Office of Regulatory Staff
Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Avoided Costs
Duke Energy Carolinas, LLC
June 2020 - September 2021
Docket No. 2021-3-E

	Actual							
	June 2020	July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	January 2021
Purchase Power Agreements	\$ 98,663	\$ 12,369	\$ 114,940	\$ 50,963	\$ 74,661	\$ 56,092	\$ 25,100	\$ 149,314
Shared Solar Program	\$ 28,241	\$ 30,525	\$ 33,152	\$ 27,688	\$ 23,228	\$ 21,608	\$ 17,324	\$ 13,905
Total Avoided Costs	\$ 126,904	\$ 42,894	\$ 148,092	\$ 78,651	\$ 97,889	\$ 77,700	\$ 42,424	\$ 163,219
S.C. Retail kWh Sales	1,623,613,976	1,916,998,453	2,010,846,771	1,877,139,122	1,509,190,428	1,758,086,136	1,386,684,247	2,046,721,244
Total System kWh Sales Excluding Off-System Sales	6,734,780,109	8,102,605,011	8,443,024,842	7,621,343,554	6,216,478,500	7,066,717,933	6,272,969,895	8,612,692,842
S.C. Allocation Factor	24.11%	23.66%	23.82%	24.63%	24.28%	24.88%	22.11%	23.76%
S.C. Share of Avoided Costs	\$ 30,594	\$ 10,148	\$ 35,271	\$ 19,372	\$ 23,765	\$ 19,331	\$ 9,378	\$ 38,787
Amount Billed to Retail Customers	\$ 23,668	\$ 29,425	\$ 30,728	\$ 27,557	\$ 31,846	\$ 50,211	\$ 42,501	\$ 60,507
(Over)/Under-Recovery	\$ 6,926	\$ (19,277)	\$ 4,543	\$ (8,185)	\$ (8,081)	\$ (30,880)	\$ (33,123)	\$ (21,720)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (117,601)	\$ (110,675)	\$ (129,952)	\$ (125,409)	\$ (133,594)	\$ (141,675)	\$ (172,555)	\$ (205,678)
Cumulative (Over)/Under-Recovery	\$ (110,675)	\$ (129,952)	\$ (125,409)	\$ (133,594)	\$ (141,675)	\$ (172,555)	\$ (205,678)	\$ (227,398)

	Actual				Estimated			
	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
Purchase Power Agreements	\$ 56,285	\$ 158,538	\$ 211,147	\$ 141,484	\$ 303,446	\$ 301,482	\$ 293,383	\$ 253,320
Shared Solar Program	\$ 15,203	\$ 15,873	\$ 22,147	\$ 31,614	\$ 25,563	\$ 25,374	\$ 24,717	\$ 21,381
Total Avoided Costs	\$ 71,488	\$ 174,411	\$ 233,294	\$ 173,098	\$ 329,009	\$ 326,856	\$ 318,100	\$ 274,701
S.C. Retail kWh Sales	1,610,951,313	1,377,957,373	1,468,606,143	1,396,012,579	1,712,434,485	1,995,059,533	2,115,058,217	1,995,845,841
Total System kWh Sales Excluding Off-System Sales	7,023,124,257	6,159,528,696	6,262,731,991	5,739,754,294	7,208,136,051	8,271,350,711	8,670,278,197	8,040,495,325
S.C. Allocation Factor	22.94%	22.37%	23.45%	24.32%	23.76%	24.12%	24.39%	24.82%
S.C. Share of Avoided Costs	\$ 16,398	\$ 39,018	\$ 54,707	\$ 42,101	\$ 78,163	\$ 78,838	\$ 77,598	\$ 68,187
Amount Billed to Retail Customers	\$ 47,856	\$ 42,263	\$ 43,358	\$ 40,849	\$ 50,699	\$ 59,443	\$ 62,944	\$ 59,109
(Over)/Under-Recovery	\$ (31,458)	\$ (3,245)	\$ 11,349	\$ 1,252	\$ 27,464	\$ 19,395	\$ 14,654	\$ 9,078
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery - Prior Month	\$ (227,398)	\$ (258,856)	\$ (262,101)	\$ (250,752)	\$ (249,500)	\$ (222,036)	\$ (202,641)	\$ (187,987)
Cumulative (Over)/Under-Recovery	\$ (258,856)	\$ (262,101)	\$ (250,752)	\$ (249,500)	\$ (222,036)	\$ (202,641)	\$ (187,987)	\$ (178,909)